



**North Carolina Department of Health and Human Services  
Division of Mental Health, Developmental Disabilities and Substance Abuse Services**

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Beverly Eaves Perdue, Governor  
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Leza Wainwright, Director

August 21, 2009

## Memorandum

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**To:** Directly Enrolled Medicaid Service Providers

**From:** Sandee Resnick, Acting Accountability Team Leader  
DMH/DD/SAS, Resource & Regulatory Management Section

**Subject:** 2009 Fall Audit of Medicaid Services

Between September 14, 2009 and November 6, 2009 the NC Department of Health and Human services will conduct Medicaid audits of directly enrolled Medicaid service providers. **The list of providers to be audited includes only the week during which each provider's audit will occur, as well as the audit site. This list is available on the website indicated below. Each provider's individual audit appointment will be distributed at least one week prior to the appointment date.**

**\*\*\*It is extremely important that you read this letter thoroughly as there is important information included regarding your upcoming audit.**

**Please keep this letter throughout the audit process for reference purposes.**

**Note: All documents required for preparation for this audit event  
are posted on the DMH/DD/SAS website:**

**<http://www.ncdhhs.gov/mhddsas/audits/index.htm>**



## Audit Process and Components:

- A listing of the directly enrolled Medicaid providers to be audited and the audit site information is available on the website identified on page one of this letter. **For specific information on audit tools and instructions, please download the following information from our website:**
  - ✓ **Medicaid Audit Tools.** These tools will determine Medicaid compliance related to a specific date of service and to the staff who provided the service on each date.
  - ✓ **Medicaid Auditor Guidelines**
  - ✓ **Staff Qualifications Checklist**
  - ✓ **2009 Medicaid Provider Audit List** by week and audit site
  - ✓ **2009 Medicaid Provider Audit List** by agency name
  - ✓ **Directions to each audit site.**
- **The following information will be sent via UPS at least one (1) week prior to each scheduled audit week:**
  - ✓ Individual audit appointments (date and time)
  - ✓ List of service records to be audited (this list will *not* be posted on the web). The list will include names, birth dates and Medicaid numbers. If an individual's name is listed more than once, it means that more than one date of service was randomly chosen from that person's record to be audited.
- All events for the Medicaid audits will be drawn from paid claims. **These paid claims dates include services provided on any date between May 1, 2009 and July 31, 2009.** Therefore, service records brought to the audit site must include required documentation from May 1, 2009 through July 31, 2009.
- **Specific services included in the audit are:**
  - H2012HA Day Treatment Child
  - H2015HT Community Support Team
  - H2022 Intensive In-Home
  - T1017HI Targeted Case Management
- If a service event which is included in the audit sample was repaid to Medicaid prior to the provider's receipt of the list of records to be audited, that event will be omitted and the next numbered event from the back-up list will be substituted. Evidence of the repayment will need to be available during the audit.
- On the date of the audit, service records and personnel records must be present at the audit site indicated on the audit schedule (**all audits are conducted at regional sites and not at the provider's place of business**). All individual agencies are responsible for maintaining or arranging the security of their records.
- Each Medicaid provider must have staff persons who are familiar with agency records available at the audit site.
- Once each provider's audit is complete, **no additional documentation will be accepted.** The Division of Medical Assistance (DMA) will provide opportunity for submission of additional information per their policy on reconsideration requests and self-assessments. These processes are explained in the DMA letter(s) that will accompany your formal Summary of Findings Report if you had items found out of compliance.
- Service documentation needed for the audit **must be indicative of what was current and in place for all possible dates of service from:**  
**May 1, 2009 through July 31, 2009**
- Documentation required on-site for all services includes:
  - ✓ **Service Authorizations** for all possible dates of service.
  - ✓ **Service Orders** for all possible dates of service.



- ✓ **Person Centered Plans** current for all possible dates of service. (Note: this could be a PCP that is prior to the current one, i.e., is not in effect now, but was at the time of the service date being reviewed.)
- ✓ **Service Documentation** for all possible dates of service.
- ✓ **Staff training / qualifications** in place for all possible dates of service, per the Qualifications Checklist posted on the web. We are aware that many agencies purge their personnel records periodically. Please be sure that evidence of all education and training that is needed to verify staff were qualified on the date they provided the service being audited is available for review.
- ✓ **Staff supervision plans and evidence of the supervision taking place** for Para-professionals and Associate Professionals providing services between **the dates noted above**.
- ✓ Evidence that the Medicaid provider agency required **disclosure of any criminal conviction** by the staff person(s) who provided the service.
- ✓ **Health Care Personnel Registry checks** current for all possible dates of service.
- ✓ **Policy and Procedure Manual** including policies in effect for all possible dates of service.
- ✓ **Legal documents related to guardianship and/or the legally responsible person** when applicable, i.e., in instances where the natural parent is not the guardian of a child, or when an adult has been adjudicated incompetent.

**Please have all items available for review at the audit site.**

**Additional Information from the Division of Medical Assistance (DMA):**

- Once the Medicaid audit is complete, no additional documentation will be accepted for review at the time of the audit. Please follow the instructions once you receive your report in order to provide additional information.
- This is an audit on a limited sample of issues identified on the Medicaid audit tools. This audit does not represent all the items or issues that may be reviewed by DMA or other entities such as the NC Attorney General's office as allowed by applicable policies, State and Federal Regulations.
- DMA Program Integrity has the authority and responsibility to expand the scope of this audit as necessary to encompass all applicable recoupment or other sanctions.

**Audit Completion:**

At the completion of the record review, the audit team will leave copies of the completed Medicaid audit tools which will include those events found out of compliance. This transaction acts as informal notification of events found out of compliance. Please note that there may be revisions to the on-site findings when the audit tools are reviewed later by an audit team leader.

- **Requests for reconsideration of Medicaid audit findings are directed to the Division of Medical Assistance (DMA).** Information on the DMA process and timelines for submitting such requests will be included in the DMA letters received in conjunction with the formal Summary of Findings report. Please do not submit any information prior to the receipt of the formal Summary of Findings report.
- **Out of compliance findings that represent a systemic issue may require that a Plan of Correction (POC) be submitted to the Division of MH/DD/SAS.** Information on the DMH/DD/SAS process and timelines for submitting POCs will be included in each agency's formal Summary of Findings report.



## **Contacting Us**

- If your contact information has changed, please contact Belinda Beardsley at: [Belinda.Beardsley@ncmail.net](mailto:Belinda.Beardsley@ncmail.net), (919) 881-2446 or (919) 508-0968 (FAX).
- If you have questions concerning the information in this memorandum, or anything else related to the upcoming 2009 audit event, please contact one of the following people:

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We look forward to a successful audit.

cc: Catharine Goldsmith  
Clarence Ervin  
DMH/DD/SAS Executive Leadership Team (ELT)

